Navigata Communications Inc.
Pension Plan
(formerly RSL COM Canada Inc. Pension Plan)

Financial Statements
December 31, 2001

PRICEWATERHOUSECOOPERS

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June 12, 2002

Auditors' Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the statement of net assets available for benefits of the **Navigata Communications Inc. Pension Plan** (formerly RSL COM Canada Inc. Pension Plan) as at December 31, 2001 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Navigata Communications Inc. Pension Plan as at December 31, 2001 and the changes in net assets available for benefits for the year then ended in accordance with the Canadian generally accepted accounting principles.

The financial statements as at December 31, 2000 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated June 29, 2001.

PricewaterhouseCoopers LLP

Chartered Accountants

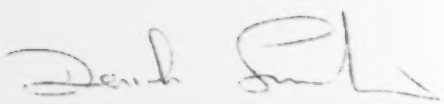
PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization.

Navigata Communications Inc. Pension Plan

(formerly RSL COM Canada Inc. Pension Plan)
Statement of Net Assets Available for Benefits
As at December 31, 2001

	2001 $	2000 $
Assets		
Cash (bank overdraft)	(11,959)	1,331
Investments (note 3)	8,102,675	7,360,560
Contributions receivable		
Employer	-	52,179
Employee	-	51,707
	8,090,716	7,465,777
Liabilities		
Accounts payable and accrued liabilities	38,791	22,701
Refunds payable	45,865	176,250
	84,656	198,951
Net assets available for benefits	8,006,060	7,266,826

Approved by the Chairman of the
Navigata Communications Inc. Pension Committee



Navigata Communications Inc. Pension Plan

(formerly RSL COM Canada Inc. Pension Plan)

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2001

	2001 $	2000 $
Increase in assets		
Investment income		
Interest and dividends	799,365	960,185
Realized (loss) gain on sale of investment	(35,952)	41,793
Unrealized loss on investment	(882,752)	(480,612)
Contributions		
Employer	579,867	594,562
Employee	579,867	633,246
	1,040,395	1,749,174
Decrease in assets		
Retirement benefits	68,777	34,836
Termination benefits	84,718	751,371
Administration costs	147,666	180,395
	301,161	966,602
Increase in net assets available for benefits	739,234	782,572
Net assets available for benefits - Beginning of year	7,266,826	6,484,254
Net assets available for benefits - End of year	8,006,060	7,266,826

Navigata Communications Inc. Pension Plan

(formerly RSL COM Canada Inc. Pension Plan)
Notes to Financial Statements
December 31, 2001

1 Description of the Plan

The following description of the Navigata Communications Inc. Pension Plan (formerly RSL COM Canada Inc. Pension Plan) (the Plan) is a summary only. For more complete information, reference should be made to the Navigata Communications Inc. Pension Plan Agreement.

a) General

The Plan is a defined benefit plan maintained by Navigata Communications Inc. (formerly RSL COM Canada Inc.) (the Corporation). The Plan is registered under the Pension Benefits Standards Act of Canada, 1985, registration # 56987, and is administered by the Pension Committee appointed by the Board of Directors of the Corporation.

b) Investments

The investment manager identified in note 6 has been engaged to invest Plan assets based on investment policies approved by the Pension Committee. The objective of these investment policies is to ensure that the Plan has sufficient assets to meet its future pension obligations and to generate sufficient cash flows to meet the required pension payments as they fall due. The investment policies are also designed to minimize interest rate risk and credit risk by ensuring that Plan assets are invested systematically in a diversified portfolio, within the parameters prescribed under the Income Tax Act and the Pension Benefits Standards Act of Canada.

Permissible investments include Canadian equities, U.S. and international equities, bonds of Canadian issuers, short term securities, mortgages, real estate and pooled funds. No other type of investment is permitted without the prior approval of the Board of Directors.

c) Funding

The Plan is funded on the basis of actuarial valuations, which are performed at least every three years. The most recent actuarial valuation of the Plan was performed as at December 31, 2001.

Plan members are required to contribute to the Plan at a rate equal to 4.5% of earnings up to the yearly maximum pensionable earnings and 6% of earnings thereafter until such time that the sum of their credited service and qualifying service equals 35 years.

The financial health of the Plan is guaranteed by the Corporation, which contributes the additional amounts as necessary to properly fund the benefits to Plan members. Corporation contributions cannot be less than the members' contributions. For the year ended December 31, 2001, the Corporation's contributions equalled that of the members' contributions as recommended by the actuary.

d) Benefits

Pension benefits vest after two years of qualifying service. The Corporation guarantees the payment of the pension benefits payable under the terms of the Plan as amended from time to time, including:

i) Annual lifetime pension

The Plan provides a full pension at age 65 calculated to be 2.0% times the best average earnings for each year of credited service to a maximum of 35 years, less 0.7% of best average earnings up to the average of yearly maximum pensionable earnings for each year of credited service. If a member retires before age 65, but at or after age 55, the member is eligible for a reduced pension.

ii) Survivors' Pensions

If a Plan member dies after retiring, the surviving spouse receives 60% for the member's pension.

iii) Death refunds

If a Plan member dies before retirement the member is eligible for a refund of the greater of 200% of member's contributions with interest and the value of the pension payable at age 55.

e) Refunds and transfers

Upon ceasing employment with the Corporation, prior to the member's benefits vesting, the Plan member may elect either to receive a refund of their contributions with earned interest less any withheld income tax or to transfer their contributions and earned interest to a registered retirement savings plan or to a registered retirement pension plan. Upon vesting, the member may elect to transfer out the value of the lifetime pension payable at age 55, the value of such benefits will not be less than 150% of the member's accumulated contributions with interest.

f) Income taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

2 Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following policies are considered to be significant:

Basis of Accounting

These financial statements are prepared on a going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the Plan members and the Corporation. They are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of individual Plan members.

Investments

Investments are stated in the financial statements at market value, which approximates fair value. The Investments in pooled funds are recorded at market values, which are determined with reference to year-end prices from recognized securities dealers. Transactions are recorded as of the trade date. Changes in unrealized holding gains or losses, which include unrealized foreign exchange gains or losses, are reflected in the statement of changes in net assets available for benefits.

3 Investments

	2001		2000	
	Number of units	Amount $	Number of units	Amount $
Connor, Clark and Lunn Genesis Balanced Fund	6,203,479	8,102,675	4,805,485	7,360,560

4 Obligation for Pension Benefits

The accrued benefit obligation was determined using the projected unit credit actuarial cost method and has been extrapolated from the accrued benefit obligation as at December 31, 1998, the date of the most recent valuation for accounting purposes prepared by Towers Perrin. The extrapolations are based on actual contributions and benefit payments for the period of January 1, 1999 to December 31, 2001, and the assumption that there have not been any experience gains or losses since December 31, 1998. The fair value of assets is equal to the market value of assets, adjusted for any outstanding balances receivable or payable.

The preparation of financial statements in conformity with Section 3461 of the CICA Handbook requires management to make estimates and apply best estimate assumptions that affect the reported amount of assets and pension liabilities at the date of the financial statements. Obligations for pension benefits are sensitive to changes in the rate of return in assets, the inflation rate, salary escalation and ad hoc increases. Based upon advice obtained from its actuaries, management applies best estimate assumptions on these and future economic events as described in note 5. Actual results could differ from those estimated. Navigata Communications Inc. adopted Section 3461 of the CICA Handbook effective January 1, 2001. The first actuarial valuation report prepared for accounting purposes was prepared as at December 31, 2001, accordingly, comparative information for the year ended December 31, 2000 is not available.

The estimate actuarial present value of accrued pension benefits as at December 31, 2001 and the principal changes during the year were as follows:

	$ (thousands of dollars)
Actuarial present value of accrued pension benefits at beginning of year	6,911
Interest accrued on benefits	572
Employer current service cost	793
Employee contributions	610
Benefits paid	(284)
Accrued pension benefits at end of year	8,602
Actuarial loss on accrued benefits[1]	468
Actuarial present value of accrued pension benefits at end of year	9,070
Net assets available for benefits	8,006
Unfunded actuarial liability	(1,064)

[1] Loss due to a change in the discount rate from 7.00% at December 31, 2000 to 6.75% at December 31, 2001.

The following are the best estimate assumptions used to determine the actuarial present value of accrued pension benefits as of December 31, 2001 for accounting purposes:

Discount rate	6.75% per year
Investment return	7.00% per year
Salary increases	4.00% per year plus merit increases
Inflation	3.00% per year
Indexation (post-retirement)	2.00% per year

The mortality rates used were based on the 1994 Uninsured Pensioner Mortality Table with mortality improvements projected to 2014 using Scale AA.

5 Actuarial valuation for funding purposes

The most recent actuarial valuation for funding purposes was prepared as at December 31, 2001. The valuation revealed an unfunded actuarial liability on a going concern basis as at December 31, 2001 of $574,481.

a) Methodology

The going concern actuarial liability was determined using the projected unit credit actuarial cost method.

The projected unit actuarial cost method, although not acceptable for financial reporting purposes, provides a valuation that considers benefits earned to-date as well as future benefits to be earned and contributions to be made. It is the method used by the actuary to measure the ability of the Plan to meet current and future obligations to Plan members.

The following is a comparative analysis of the Plan unfunded actuarial liability at December 31, 2001 under the two methods:

	$ (thousands of dollars)
Projected benefit method (accounting method)	(1,064)
Projected unit credit funding method (actuarial valuation)	(574)

The actuarial value of assets was determined using the average of the market value of the invested assets at the valuation date and the two previous years' market values adjusted for net contributions and assuming an investment return of the average treasury bill rate during the year plus 2.5%.

b) Assumptions for funding purposes

The following are the assumptions used to determine the going concern actuarial liability as at December 31, 2001 for funding purposes:

Discount rate	7.00% per year
Salary increases	4.00% per year plus merit increases
Inflation	3.00% per year
Indexation (post-retirement)	2.00% per year

The mortality rates used were based on the 1994 Uninsured Pensioner Mortality Table with mortality improvements projected to 2014 using Scale AA.

6 Administration costs

The Pension Plan Agreement permits the Plan to engage an administrator, professional advisors, specialists and consultants for the purposes of administering the Plan, and managing and investing Plan assets, with the related costs to be paid by the Plan. Other administrative costs include custodial, actuarial, legal and audit, are paid by the Plan. Administrative costs are reflected in the statement of changes in net assets. The service providers to the Plan are as follows:

Towers Perrin

Towers Perrin acts as the Plan administrator and as the Plan actuary. As administrator, Towers Perrin ensures that contributions and benefit payments are computed and recorded correctly. They maintain plan members' records and prepare the annual filings to the Office of the Superintendent of Financial Institutions. As Plan Actuary, Towers Perrin prepares the actuarial valuation of the Plan every three years (note 5).

Royal Trust

As the custodian of the pension fund assets, Royal Trust performs the processing and handling of contributions, benefit payments and investment transactions.

Connor, Clark & Lunn Investment Management Ltd.

The investment manager manages the investment and disposition of Plan assets.